

**AREA AGENCY ON AGING
OF PALM BEACH/
TREASURE COAST, INC.
D/B/A YOUR AGING &
DISABILITY RESOURCE
CENTER**

Financial Statements

**Years Ended
December 31, 2017 and 2016**

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Partners

W. Ed Moss, Jr.
Joe M. Krusick
Cori G. Cameron
Bob P. Marchewka
Ric Perez
James R. Dexter
Thomas F. Regan
Ernie R. Janvrin
Paul F. Smyth
Darby M. Hauck

501 S. New York Ave.
Suite 100
Winter Park, FL 32789
Phone: 407-644-5811
Fax: 407-644-6022
www.mosskrusick.com

631 US Highway 1
Suite 405
N. Palm Beach, FL 33408
Phone: 561-848-9300
Fax: 561-848-9332

American Institute of
Certified Public
Accountants

Florida Institute of
Certified Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Area Agency on Aging of Palm Beach/
Treasure Coast, Inc.
West Palm Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Area Agency on Aging of Palm Beach/Treasure Coast, Inc. d/b/a Your Aging & Disability Resource Center (the "Agency," a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets (deficit), functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Area Agency on Aging of Palm Beach/Treasure Coast, Inc. d/b/a Your Aging & Disability Resource Center as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of Florida Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2018, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 25, 2018

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

STATEMENTS OF FINANCIAL POSITION

December 31, 2017 and 2016

ASSETS

	2017	2016
CURRENT ASSETS		
Cash and cash equivalents	\$ 547,450	\$ 85,624
Federal and state grants receivable	3,819,627	3,770,831
Other receivables	556,193	358,568
Prepaid expenses	34,815	35,813
Advances to providers	1,070,756	483,575
 Total current assets	 6,028,841	 4,734,411
Property and equipment, net	12,169	38,748
 Total assets	 <u>\$ 6,041,010</u>	 <u>\$ 4,773,159</u>

LIABILITIES AND NET ASSETS (DEFICIT)

CURRENT LIABILITIES		
Accounts payable	\$ 304,385	\$ 168,285
Accrued expenses	98,610	132,473
Due to providers	4,493,700	3,661,545
Line of credit	450,000	400,000
Deferred revenue	1,054,898	504,623
 Total current liabilities	 <u>6,401,593</u>	 <u>4,866,926</u>
 NET ASSETS (DEFICIT)		
Unrestricted	(360,583)	(93,767)
Temporarily restricted	-	-
 Total net assets (deficit)	 <u>(360,583)</u>	 <u>(93,767)</u>
 Total liabilities and net assets (deficit)	 <u>\$ 6,041,010</u>	 <u>\$ 4,773,159</u>

The accompanying notes are an integral part of these financial statements.

AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)

Years Ended December 31, 2017 and 2016

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
REVENUES				
Grants and donations				
Federal grants	\$ 10,743,475	\$ -	\$ 10,743,475	\$ 11,056,634
State grants	10,731,783	-	10,731,783	9,419,538
Other grants and donations	794,567	51,121	845,688	648,605
Total grants and donations	22,269,825	51,121	22,320,946	21,124,777
Special events	28,035	-	28,035	43,859
Net assets released from restrictions	51,121	(51,121)	-	-
Total revenues	22,348,981	-	22,348,981	21,168,636
EXPENSES				
Program services:				
Older Americans Act	6,552,059	-	6,552,059	6,513,174
Community Care for the Elderly	5,371,976	-	5,371,976	4,391,483
Home Care for the Elderly	653,785	-	653,785	620,658
Alzheimer's Disease Initiative	4,103,874	-	4,103,874	3,684,140
Respite for Elders Living in Everyday Families	101,782	-	101,782	155,559
Serving Health Insurance Needs of Elders	434,336	-	434,336	561,839
Nutrition Services Incentive Program	536,607	-	536,607	530,544
Medicaid Intake Program	486,177	-	486,177	545,219
Elder Helpline	974,342	-	974,342	964,514
Healthy Aging	104,999	-	104,999	119,839
Other DOEA Programs	637,128	-	637,128	680,934
Volunteer Services	831,750	-	831,750	843,912
Other non-DOEA	322,488	-	322,488	204,849
Total program services	21,111,303	-	21,111,303	19,816,664
Support services:				
General and administrative	1,393,588	-	1,393,588	1,252,076
Fundraising	110,906	-	110,906	118,481
Total expenses	22,615,797	-	22,615,797	21,187,221
Change in net assets	(266,816)	-	(266,816)	(18,585)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>(93,767)</u>	<u>-</u>	<u>(93,767)</u>	<u>(75,182)</u>
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ (360,583)</u>	<u>\$ -</u>	<u>\$ (360,583)</u>	<u>\$ (93,767)</u>

The accompanying notes are an integral part of these financial statements.

Non-DOEA Programs									
Elder Helpline	Healthy Aging	Other DOEA Programs	Volunteer Services	Other Non-DOEA Programs	Total Program Services	General and Administrative	Fundraising	2017 Total Expenses	2016 Total Expenses
\$ 550,646	\$ 41,073	\$ 25,845	\$ 219,889	\$ 205,574	\$ 2,120,413	\$ 699,192	\$ 15,649	\$ 2,835,254	\$ 2,723,248
133,063	11,642	6,957	59,887	37,436	494,254	165,275	3,015	662,544	628,294
3,335	2,482	-	104,116	4,908	132,823	25,979	340	159,142	159,941
33,267	2,600	1,813	4,786	9,831	86,768	17,677	8,079	112,524	110,316
7,397	1,118	249	3,739	3,809	30,816	8,784	-	39,600	32,908
6,420	-	-	90	1,032	10,970	66	85	11,121	5,551
10,641	1,154	220	4,089	1,554	25,201	10,699	-	35,900	38,101
25,983	1,570	1,045	2,432	5,525	54,450	12,498	-	66,948	103,413
20,392	5,446	501	8,055	8,783	65,813	25,708	6,451	97,972	101,304
148,274	20,311	5,122	69,532	37,966	517,561	266,707	419	784,687	681,439
9,897	176	52	327	893	37,266	2,573	30	39,869	36,777
2,666	210	467	8,095	517	27,207	12,831	13	40,051	33,761
-	-	593,879	-	1,228	10,538,566	21,923	-	16,558,489	15,370,511
-	-	-	-	659	659	2,300	-	2,959	3,689
1,038	112	679	886	343	22,484	1,627	-	24,111	19,176
-	434	-	83	240	757	2,414	1,497	4,668	7,445
-	-	-	-	-	500,349	-	-	500,349	464,123
-	-	-	334,154	224	336,915	6,888	92	343,893	344,572
593	6,994	-	8,244	45	21,532	3,879	1,091	26,502	10,417
20,730	9,677	299	3,346	2,121	88,499	106,570	74,145	269,214	312,235
974,342	104,999	637,128	831,750	322,488	21,111,303	1,393,588	110,906	22,615,797	21,187,221
69,436	7,483	45,405	59,275	22,983	1,504,494	(1,393,588)	(110,906)	-	-
\$ 1,043,778	\$ 112,482	\$ 682,533	\$ 891,025	\$ 345,471	\$ 22,615,797	\$ -	\$ -	\$ 22,615,797	\$ 21,187,221

The accompanying notes are an integral part of these financial statements.

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets (deficit)	\$ (266,816)	\$ (18,585)
Adjustments to reconcile change in net assets (deficit) to net cash provided by (used in) operations:		
Depreciation	24,111	19,176
Loss on disposal of property and equipment	2,468	-
Changes in operating assets and liabilities:		
(Increase) decrease in operating assets:		
Federal and state grants receivable	(48,796)	(287,919)
Other receivables	(197,625)	(124,711)
Advances to providers	(587,181)	(39,240)
Prepaid expenses	998	23,909
Increase (decrease) in operating liabilities:		
Accounts payable	136,100	(97,671)
Accrued expenses	(33,863)	7,268
Due to providers	832,155	299,466
Deferred revenue	550,275	(92,837)
Net cash provided by (used in) operating activities	<u>411,826</u>	<u>(311,144)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	<u>-</u>	<u>(19,679)</u>
Net cash used by investing activities	<u>-</u>	<u>(19,679)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit, net	<u>50,000</u>	<u>200,000</u>
Net cash provided by financing activities	<u>50,000</u>	<u>200,000</u>
Net increase (decrease) in cash and equivalents	461,826	(130,823)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>85,624</u>	<u>216,447</u>
CASH AND EQUIVALENTS, END OF YEAR	<u><u>\$ 547,450</u></u>	<u><u>\$ 85,624</u></u>
Supplemental cash flow information:		
Cash paid for interest	<u><u>\$ 14,476</u></u>	<u><u>\$ 13,167</u></u>

The accompanying notes are an integral part of these financial statements.

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC.
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE A – SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

1. Organization and Purpose

Area Agency on Aging of Palm Beach/Treasure Coast, Inc. d/b/a Your Aging & Disability Resource Center (the "Agency," a nonprofit organization) was incorporated on September 27, 1988, to operate as an Area Agency on Aging as designated by the State of Florida in accordance with the Older Americans Act of 1965, as amended, and to engage in multi-year planning, advocacy and coordination consistent with said Act. The Agency develops a comprehensive and coordinated system of services for older persons within the Planning Service Area (PSA) 9 composed of the following counties: Palm Beach, Martin, St. Lucie, Indian River and Okeechobee. In order to accomplish its objectives, the Agency receives and administers grants from the U.S. Government and state and local government entities and subcontracts for delivery of services. Private donors and foundations have enthusiastically supported the Agency since its incorporation. The Agency also enjoys the support of a strong, stable and active board of directors and is advised by an active advisory council composed of elders and other community representatives.

The Mission of the Area Agency on Aging is to promote, support and advocate for the independence, dignity and wellbeing of seniors, adults with disabilities, and those who care for them in a manner that values diversity, reflects the communities we serve and embraces the collaboration of the aging network.

The Agency is a dynamic non-profit organization dedicated to serving the needs of seniors and their caregivers. The Agency's service area includes approximately 632,500 residents aged 60 and older, making the Agency the largest of Florida's eleven Area Agencies on Aging. In fact, the senior population of its service area surpasses that of twenty-eight different states. Part of a nationwide network, The Area Agency on Aging serves seniors, adults with disabilities and caregivers through information on aging issues, advocacy, one-on-one assistance and many other services that help seniors maintain their health, independence and dignity.

At the core of the Area Agency on Aging of Palm Beach/Treasure Coast, Inc. d/b/a Your Aging & Disability Resource Center is the Helpline which in 2017 handled 158,381 contacts providing service information and referrals. The Foster Grandparent Program provided one-on-one mentoring and tutoring to 622 school children identified as having special needs; SHINE (Serving Health Insurance Needs of Elders) volunteers provided counseling to more than 4,416 clients; and the Elder Rights Center provided information and support to 5,691 seniors in need. The Healthy Living Center of Excellence continued to offer the evidence-based Living Healthy Workshops, Diabetes Self-Management, A Matter of Balance, Tai Chi and Powerful Tools for Caregivers to enhance the quality of life and improve the wellbeing of seniors.

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC.
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE A – SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(continued)**

In 2016, the Agency was awarded a grant for a Benefits Enrollment Center to provide free assistance to low income Medicare eligible seniors and persons with disabilities to identify and apply for benefits programs such as SNAP/Food Stamps, Medicaid, Low Income Home Energy Assistance Program and Medicare Part D Extra Help/Low Income Subsidy Programs.

The vision of the Area Agency on Aging is to be the recognized community leader dedicated to meeting the diverse needs of elders, adults with disabilities, and their caregivers.

2. Basis of Accounting

Area Agency on Aging of Palm Beach/Treasure Coast, Inc. d/b/a Your Aging & Disability Resource Center follows standards of accounting and financial reporting prescribed for not-for-profit organizations. It uses the accrual basis of accounting which recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the period incurred, if measurable. Federal and state government grants are recorded as support when performance occurs under the terms of the grant agreement.

The costs of providing the various programs and other activities have been detailed in the statement of functional expenses and summarized on a functional basis in the statement of activities and changes in net assets (deficit). Expenses of the provider and the Agency which are associated with a specific program are charged directly to that program. Administrative expenses of the Agency and depreciation are allocated to the various programs based on each program's total expenses.

3. Comparative Information

The financial statements include certain prior-year summarized information in total but not by net asset class or function. Such information does not constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended December 31, 2016 from which the summarized information was derived.

4. Recognition of Donor Restrictions

The Agency reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC.
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE A – SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(continued)**

5. Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies temporarily restricted net assets to unrestricted net assets at that time. The Agency capitalizes all expenditures for equipment in excess of \$1,000; or if donated, at fair market value (at date of gift) in excess of \$1,000. Property and equipment are depreciated using the straight-line method.

6. Donated Services and Space

Contributed services are recognized in the financial statements if the services received create or enhance nonfinancial assets; require specialized skills; are provided by individuals possessing those skills; and are typically purchased if not provided by donation.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Volunteer services and goods are recorded at values consistent with fair market value for similar services. Donated building space is valued as the difference between fair rental value of the space occupied and the rent paid, or at an estimate of the fair rental value when no rent is paid.

7. Advertising Costs

Advertising costs are charged to operations when incurred.

8. Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Agency considers only demand deposits to be cash and cash equivalents.

9. Federal and State Grants Receivable

Grants receivable are un-collateralized federal and state obligations due under normal trade terms requiring payment within 30 days from the request date. Unpaid receivables with request dates over 30 days do not bear interest.

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC.
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE A – SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(continued)**

9. Federal and State Grants Receivable (continued)

Grants receivable are stated at the amount management expects to collect from outstanding balances. In the past, substantially all of grants receivable have been collected within 60 days, so no valuation allowance has been considered necessary. Payments of receivables are allocated to the specific requests identified on the state's remittance advice.

10. Compensated Absences

Employees of the Agency are entitled to paid vacation/annual leave and paid sick leave, which they earn throughout the year. Sick leave is forfeited upon separation of service. The Agency accrued an estimated liability for compensated absences of \$133,785 and \$118,720 as of December 31, 2017 and 2016, respectively.

11. Deferred revenue

Deferred revenue is comprised of amounts received from grantor agencies by the Agency prior to meeting the revenue recognition criteria. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. In subsequent periods, when the revenue recognition criteria have been met, the liability for deferred revenue is reduced and revenue is recognized.

12. Income Taxes

The Agency has been granted an exemption from income taxes under Internal Revenue Code Section 501(c)(3) as a non-profit corporation and has been classified as a publicly supported organization, which is not a private foundation under Section 509(a) of the Code.

The Agency adopted FASB Interpretation No. 48 (ASC 740-10), Accounting for Uncertainty in Income Taxes, applicable to nonpublic entities for the year ended December 31, 2009. Management has analyzed its various federal and state filing positions and believes that its income tax filing positions and deductions are well documented and supported, and that no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded. No interest and penalties were recognized in the financial statements. The Agency remains subject to examination by the Internal Revenue Service for the years ended December 31, 2014 through December 31, 2017.

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC.
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE A – SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(continued)**

13. Funding

Ninety-six percent of the Agency's support consists of funds received from federal and state governments, which are contracted through the Florida Department of Elder Affairs and other governmental entities. The continued existence of the programs administered by the Agency is dependent upon support received from these grants.

14. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

15. Recent Accounting Pronouncements

New accounting pronouncements were recently issued on revenue recognition, presentation of not-for-profit financial statements, and lease accounting, which are effective beginning in 2018 to 2020. Early adoption is permitted.

16. Subsequent Events

The Agency has evaluated subsequent events through September 25, 2018, the date which the financial statements were available to be issued.

NOTE B – CASH AND CASH EQUIVALENTS

The Agency maintains its cash in banks that are insured by the Federal Deposit Insurance Corporation (FDIC). The standard FDIC insurance amount is \$250,000 per depositor, per insured bank. As of December 31, 2017 and 2016, the Agency had \$253,916 and \$0, respectively, in excess of the FDIC insurance. The Agency has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC.
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Equipment	\$ 249,880	\$ 284,091
Less: accumulated depreciation	<u>(237,711)</u>	<u>(245,343)</u>
Property and equipment, net	<u>\$ 12,169</u>	<u>\$ 38,748</u>

The State of Florida Department of Elder Affairs holds a reversionary interest in all non-expendable tangible personal property acquired with funds received from the department. Depreciation expense for the years ended December 31, 2017 and 2016 was \$24,111 and \$19,176, respectively.

NOTE D – OTHER RECEIVABLES

Other receivables as of December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Palm Beach County	\$ 420,856	\$ 258,555
Employee Loans	30,730	18,294
Other	<u>104,607</u>	<u>81,719</u>
	<u>\$ 556,193</u>	<u>\$ 358,568</u>

NOTE E – TEMPORARILY RESTRICTED NET ASSETS

Net assets released from restrictions were as follows:

	<u>2017</u>	<u>2016</u>
Foster Grandparents Program	\$ 9,477	\$ 3,908
Elder Rights	38,603	7,230
Healthy Living Program	<u>3,041</u>	<u>10,805</u>
	<u>\$ 51,121</u>	<u>\$ 21,943</u>

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC.
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE F – OTHER GRANT AND CONTRIBUTION REVENUE

Other grant and contribution revenue as of December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Foster Grandparent Program		
United Way of Palm Beach County	\$ 260,791	\$ 302,717
Children's Services Council of Okeechobee County	19,609	7,374
Palm Beach County	332,864	291,045
Contributions	27,517	26,877
Other	<u>204,907</u>	<u>20,592</u>
	<u>\$ 845,688</u>	<u>\$ 648,605</u>

NOTE G – LINE OF CREDIT

On January 1, 2011, the Agency obtained a revolving line of credit from BMO Harris Bank N.A. for working capital needs. The line of credit is unsecured and interest is payable monthly at the Wall Street Prime Rate (4.25% at December 31, 2017). On October 15, 2017, the Agency renewed the line of credit for \$500,000. During the years ended December 31, 2017 and 2016, the Agency incurred interest expense of \$14,476 and \$13,167, respectively. At December 31, 2017 and 2016, the Agency had \$450,000 and \$400,000, respectively, outstanding on the line of credit. The current maturity date of the line of credit is October 15, 2018.

NOTE H – EMPLOYEE BENEFIT PLAN

In August 1996, the Agency adopted a 403(a) Employer Retirement Plan. The plan provides coverage for all those employees 18 years of age or older, employed longer than one year and who worked 1,000 hours or more. The employer contributions under the plan are discretionary. The plan was changed to a 401(a) in 2007. Employees hired before January 1, 2008 are fully vested after three years of service. Employees hired on or after January 1, 2008 are 25% vested after two years of service, 50% vested after three years, 75% vested after four years and 100% vested after five years of service.

Total contributions of \$117,208 and \$113,715 were made by the Agency during the years ended December 31, 2017 and 2016, respectively.

Also in 1996, the Agency adopted a 403(b) Voluntary Deferred Annuity Plan that provides for employee contributions to fixed or variable annuity contracts.

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC.
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE I – LEASES

Operating Leases

In November 2007, the Agency entered into a 10-year office space lease for its Palm Beach County facility; the lease commenced May 1, 2008. In 2010, the Agency requested that the lease terms be amended by the Landlord, and a portion of the premises be deleted from the Agency's original lease and leased to the Department of Elder Affairs (DOEA). In connection with this amendment, the Agency agreed to guarantee the lease agreement between the Landlord and the DOEA. As a result of the amendment, the Agency's annual base rent decreased, and its percentage of the Common Area Maintenance (CAM) operating expenses, decreased from 62.0% to 51.8%. The lease contains a purchase option that the Agency had the option to exercise by December 2009 at a purchase price of \$5,250,000. The Agency elected not to exercise this option. The purchase price increases one percent every month after December 2009. In March 2014, a Third Amendment to the lease was agreed upon. The Agency agreed to extend the lease by 5 years from May 1, 2018 through April 30, 2023. In the first year of the extension term, the base rent will be calculated at the rate of \$24.92 per square foot of rentable area. The base rent will increase 2% annually thereafter.

The Agency extended this space at their Palm Beach County facility by entering into a 5-year office space lease in September of 2016 and extending into the eastern portion of the building. The lease commenced September 15, 2016. Rent is calculated at the rate of \$15.50 per square foot of rentable area. The base rent is subject to 3% increase annually thereafter.

In May 2013, the Agency entered into a lease for their Treasure Coast Facility, the lease commenced June 1, 2013 and was originally for one year. The lease has subsequently been terminated as of November 30, 2017.

In August 2017, the Agency entered into a 3 year lease for their St. Lucie Facility, the lease commenced November 1, 2017.

Building costs for both leases, which include operating expenses, were \$796,408 and \$737,631 for the years ended December 31, 2017 and 2016, respectively.

The future minimum annual lease payments related to both leases are as follows:

2018	\$ 588,016
2019	625,668
2020	635,750
2021	609,525
2022	574,985
Thereafter	<u>192,925</u>
Total	<u>\$ 3,226,869</u>

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC.
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE J – SUPPORT THAT REQUIRED MATCHING FUNDS

The Agency received a substantial portion of its support from the State of Florida and U.S. Government through the State of Florida, Department of Elder Affairs. The contracts are negotiated annually. Although a maximum amount is established, income is earned on a reimbursement basis, which is only to the extent of eligible expenses incurred.

The Agency must meet certain contractual matching requirements through cash and/or in-kind contributions. These requirements are proportionately passed on to the Agency's providers through contractual provisions in their subcontracts. The subcontract provider's match is reported to the Agency and tracked to ensure that all contractual matching requirements are met. However, the match provided by the Agency's providers is not recognized in the financial statements of the Agency.

Community Care for the Elderly (CCE) grants were provided by the State of Florida and required a 10% local match, as do Older Americans Act Title III program grants. The Title III Administration grant requires a 25% match. The following match calculation does not include funds that were matched by the state.

For the year ended December 31, 2017, the Agency met its match requirements and the more significant grants are summarized on the next page.

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC.
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE J – SUPPORT THAT REQUIRED MATCHING FUNDS (continued)

	Community Care For the Elderly		Older Americans Act	
	IC 017 (2)	IC 016 (1)	Title III	Title III ADM
Amount received or receivable requiring match	<u>\$ 4,827,674</u>	<u>\$ 2,575,606</u>	<u>\$ 8,833,367</u>	<u>\$ 836,200</u>
Match required	286,178	536,408	981,485	278,733
Total matched expenses	<u>359,036</u>	<u>1,207,307</u>	<u>2,305,035</u>	<u>306,190</u>
Funds over (under) required match	<u>\$ 72,858</u>	<u>\$ 670,899</u>	<u>\$ 1,323,550</u>	<u>\$ 27,457</u>

(1) This match computation is for the grant year ending June 30, 2017.

(2) This match did not need to be met until June 30, 2018.

	Foster Grandparents
Amount received or receivable requiring match	<u>\$ 527,786</u>
Match required	58,643
Total matched expenses	<u>189,123</u>
Funds over (under) required match	<u>\$ 130,480</u>

The Community Care for the Elderly and Title III match amounts were met by the Agency's providers. The Older Americans Act Title III Administration and Foster Grandparents match amounts were met by the Agency from the following funding sources:

	Title III ADM	Foster Grandparents
Palm Beach County	\$ 136,308	\$ -
Department of Elder Affairs	169,882	-
Children's Services Council of Okeechobee County	-	19,032
United Way of Palm Beach County	<u>-</u>	<u>170,091</u>
	<u>\$ 306,190</u>	<u>\$ 189,123</u>

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC.
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE K – COMMITMENTS AND CONTINGENCIES

Contingencies

In the normal course of conducting its operations, the Agency occasionally becomes party to various legal actions and proceedings. Management is not aware of any pending or threatened litigation, claims, or assessments. Management also believes that the Agency has adequate general and professional liability coverage, current or subsequent claims could result in additional costs to the Agency.

NOTE L – RELATED PARTIES

Your Aging & Disability Resource Center Foundation, Inc.

The Your Aging & Disability Resource Center Foundation (Foundation) was formed to assist the Area Agency on Aging of Palm Beach/Treasure Coast, Inc. as a supporting agency organization as defined in Section 509(a)(3) of the internal Revenue Code. The principal purpose of the Foundation is to support the Agency in its charitable efforts to improve the lives of senior citizens in Palm Beach County, Indian River County, St. Lucie County, Martin County and Okeechobee County, Florida. The Foundation's function include, but are not limited to; raising, receiving, investing, managing and administering funds for the Agency to use for its charitable purposes. The by-laws of the Foundation specify that the Chief Executive Officer of the Agency is on the Board of the Foundation. There were minimal transactions between the Agency and the Foundation during the fiscal years ending December 31, 2017 and 2016. The Agency has chosen not to include the Foundation in their financial statements due to inconsequential activity with the Foundation.

SUPPLEMENTAL INFORMATION



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Partners

W. Ed Moss, Jr.

Joe M. Krusick

Cori G. Cameron

Bob P. Marchewka

Ric Perez

James R. Dexter

Thomas F. Regan

Ernie R. Janvrin

Paul F. Smyth

Darby M. Hauck

To The Board of Directors of
Area Agency on Aging of Palm Beach/
Treasure Coast, Inc.
West Palm Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Area Agency on Aging of Palm Beach/Treasure Coast, Inc. d/b/a Your Aging & Disability Resource Center (the "Agency," a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets (deficit), and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 25, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

501 S. New York Ave.
Suite 100
Winter Park, FL 32789
Phone: 407-644-5811
Fax: 407-644-6022
www.mosskrusick.com

631 US Highway 1
Suite 405
N. Palm Beach, FL 33408
Phone: 561-848-9300
Fax: 561-848-9332

American Institute of
Certified Public
Accountants

Florida Institute of
Certified Public
Accountants

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 25, 2018



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND STATE OF FLORIDA
CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Cori G. Cameron
Bob P. Marchewka
Ric Perez
James R. Dexter
Thomas F. Regan
Ernie R. Janvrin
Paul F. Smyth
Darby M. Hauck

To the Board of Directors of
Area Agency on Aging of Palm Beach/
Treasure Coast, Inc.
West Palm Beach, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Area Agency on Aging of Palm Beach/Treasure Coast, Inc. d/b/a Your Aging & Disability Resource Center's ("the Agency," a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the Agency's major federal programs and state projects for the year ended December 31, 2017. The Agency's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of Florida Chapter 10.650, *Rules of the Auditor General*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the Agency's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended December 31, 2017.

501 S. New York Ave.
Suite 100
Winter Park, FL 32789
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631 US Highway 1
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Report on Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance, and State of Florida Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, and State of Florida Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 25, 2018

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC.
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2017

Section I – Summary of Auditors' Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| 1. Type of auditors' report issued on compliance for major programs: | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | No |
| 4. Dollar threshold used to distinguish between Type A and Type B programs | \$750,000 |
| 5. Auditee qualified as low-risk auditee? | Yes |

Identifications of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Aging Cluster:	
Special Programs for the Aging–Title III, Part B	
Grants for Supportive Services and Senior Centers	93.044
Special Programs for the Aging–Title III, Part C	
Nutrition Services	93.045
Nutrition Services Incentive Program	93.053
Title III E – Caregiver Support Services	93.052

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC.
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2017

Section I – Summary of Auditors' Results (continued)

State Financial Assistance

- | | |
|--|---------------|
| 1. Type of auditors' report issued on compliance for major projects: | Unmodified |
| 2. Internal control over major projects: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Audit findings disclosed that are required to be reported in accordance with the Florida Single Audit Act and Chapter 10.650, <i>Rules of the Auditor General</i> | No |
| 4. Dollar threshold used to distinguish between Type A and Type B projects | \$750,000 |

Identification of major project:

<u>Name of State Project</u>	<u>CSFA Number</u>
Alzheimer's Disease Initiative	65.004
Community Care for the Elderly	65.010

Section II – Financial Statement Findings

None (there are no items related to Federal awards or State financial assistance required to be reported in the management letter; therefore, no management letter issued)

Section III – Federal Award and State Projects Findings and Questioned Costs

None (there are no items related to Federal awards or State financial assistance required to be reported in the management letter; therefore, no management letter issued)

Section IV – Status of Prior Year Audit Findings

There were no prior year audit findings.

AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended December 31, 2017

Grantor/Pass-through Agency Program Title	CFDA/ CSFA Number	Grant Contract Number	Award Amount	Expenditures	Amounts Paid to Subrecipients
FEDERAL AWARDS					
Department of Health and Human Services:					
Passed through State of Florida:					
Department of Elder Affairs					
Older Americans Act					
Title III Administration	93.044	IA017	\$ 871,177	\$ 871,177	\$ -
Title III B	93.044	IA017	3,417,728	3,417,728	2,356,529
Title III C1	93.045	IA017	1,399,782	1,358,035	1,356,035
Title III C2	93.045	IA017	1,816,191	1,816,191	1,816,191
Administration on Aging					
Nutrition Services Incentive Program	93.053	IA017	540,600	536,036	536,036
Total Aging Cluster			8,045,458	7,997,167	6,064,791
Older Americans Act					
Title VII Elder Abuse Prevention	93.041	I7017	21,267	20,751	-
Title III D	93.043	IA017	91,585	91,585	-
Title III E	93.052	IA017	928,309	928,309	670,624
Total Older Americans Act			1,041,161	1,040,645	670,624
Medicare Enrollment Assistance Program					
Medicare Enrollment Assistance Program	93.071	IB017	138,025	4,835	-
Medicare Enrollment Assistance Program	93.071	IB018	138,025	84,879	-
Total Medicare Enrollment Assistance Program			276,050	89,714	-
Emergency Home Energy Assistance					
Emergency Home Energy Assistance	93.568	IP016	408,071	60,787	-
Emergency Home Energy Assistance	93.568	IP017	369,293	307,570	-
Total Emergency Home Energy Assistance			777,364	368,357	-
Medical Assistance Program					
Medical Assistance Program	93.778	IX016	252,594	96,621	-
Medical Assistance Program	93.778	IX017	260,582	146,209	-
Total Medicaid			513,176	242,830	-
CMS Research					
CMS Research	93.779	IN017	256,497	204,537	-
Total CMS Research			256,497	204,537	-
Total Department of Health and Human Services			10,909,706	9,943,250	6,735,415
National Council on Aging					
Benefit Enrollment Center	93.071	932	117,500	72,500	-
<u>Corporation for National and Community Service</u>					
Foster Grandparent Program	94.011	13SFSFL003	527,786	527,786	-
Department of Justice					
Passed Through State of Florida					
Office of the Attorney General					
Victims of Crime	16.575	V2016 PAL 00304	133,233	28,252	-
Victims of Crime	16.575	V2016 PAL 00305	101,193	34,766	-
Victims of Crime	16.575	V504	133,941	91,460	-
Victims of Crime	16.575	V505	100,017	45,461	-
Total Victims of Crime			468,384	199,939	-
Total Expenditures of Federal Awards			\$ 12,023,376	\$ 10,743,475	\$ 6,735,415

See independent auditors' report.

**AREA AGENCY ON AGING OF PALM BEACH/TREASURE COAST, INC
D/B/A YOUR AGING & DISABILITY RESOURCE CENTER**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended December 31, 2017

Grantor/Pass-through Agency Program Title	CFDA/ CSFA Number	Grant Contract Number	Award Amount	Expenditures	Amounts Paid to Subrecipients
STATE FINANCIAL ASSISTANCE					
Department of Elder Affairs					
Community Care for the Elderly	65.010	IC016	\$ 4,895,745	\$ 2,735,549	\$ 1,966,571
Community Care for the Elderly	65.010	IC017	5,191,527	2,630,712	2,575,606
Community Care for the Elderly	65.010	IX016	252,593	96,620	-
Community Care for the Elderly	65.010	IX017	260,582	146,209	-
Local Service Programs	65.009	IL016	311,586	156,663	156,663
Local Service Programs	65.009	IL017	236,586	111,333	111,333
Alzheimer's Disease Initiative	65.004	IZ016	3,831,903	1,913,562	1,913,562
Alzheimer's Disease Initiative	65.004	IZ017	4,525,461	2,185,865	2,185,865
Home Care for the Elderly	65.001	IH016	586,622	324,224	323,656
Home Care for the Elderly	65.001	IH017	661,222	329,371	258,756
Respite for Elders Living in Everyday Families	65.006	IR016	194,000	44,511	35,664
Respite for Elders Living in Everyday Families	65.006	IR017	158,000	57,164	43,020
Total Expenditures of State Financial Assistance			<u>\$ 21,105,827</u>	<u>\$ 10,731,783</u>	<u>\$ 9,570,696</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$ 33,129,203</u>	<u>\$ 21,475,258</u>	<u>\$ 16,306,111</u>

Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards and state financial assistance is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and the State of Florida Chapter 10,650, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2 - Contingency

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the Agency for the return of those funds. In the opinion of management, all grant expenditures were in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

Note 3 - Indirect Cost Rates

The Agency has elected to not use the 10% de minimis indirect cost rate for its federal programs or state projects for the year ended December 31, 2017. The indirect cost rates used on the Agency's federal programs and state projects are determined by the relevant federal or state agency.

See independent auditors' report.